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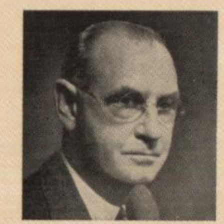
MELVILLE SHOE CORPORATION

Annual Report

1960



Ward Melville

Directors and Officers of MELVILLE SHOE CORPORATION

Robert C. Erb

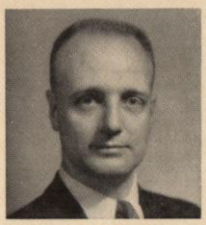
Frederic Attwood

Lester R. Fallon

Joel E. Fisher

Francis H. Gleason

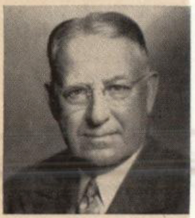
David W. Herrmann



David B. Melville

Joseph L. Merrill

Spencer D. Oettinger



Seward M. Paterson

Francis C. Rooney, Jr.

Murray M. Rosenberg

J. Brent Wells

Executive Committee:

MURRAY M. ROSENBERG, *Chairman*
FREDERIC ATTWOOD
ROBERT C. ERB
FRANCIS H. GLEASON
DAVID W. HERRMANN
WARD MELVILLE
JOSEPH L. MERRILL

Officers:

WARD MELVILLE, *Chairman of the Board*
ROBERT C. ERB, *President*
DAVID W. HERRMANN, *Executive Vice-President*
JOSEPH L. MERRILL, *Vice-President, Finance*

- *Vice Presidents:*

LESTER R. FALLON
ROY S. FOGAS
FRANCIS H. GLEASON
WILLIAM H. MUCKLEY
SPENCER D. OETTINGER
FRANCIS C. ROONEY, JR.
J. FREDERICK ROSSELL
LAFAYETTE A. TREMBLAY
J. BRENT WELLS

H. ALBERT BRODIN, *Treasurer & Assistant Secretary*
DAVID B. MELVILLE, *Secretary*
FRANK SOKOL, *Controller & Assistant Treasurer*

- *Assistant Secretaries*

RANDALL D. ESTEN
BERTHA K. SMITH
HAROLD R. WICKHAM

Counsel: DAVIS POLK WARDWELL SUNDERLAND & KIENDL
Auditors: PEAT, MARWICK, MITCHELL & CO.
Transfer Agent: IRVING TRUST COMPANY, *1 Wall Street, New York 15, N. Y.*
Registrar: FIRST NATIONAL CITY TRUST CO., *2 Broadway, New York 15, N. Y.*

1960 Annual Report

MELVILLE SHOE CORPORATION

Executive Offices:
25 WEST 43rd STREET, NEW YORK 36, N. Y.

Accounting and General Offices:
44 HAMMOND STREET, WORCESTER 10, MASS.

Table of Contents:

p. 2 . . . Directors and Officers

p. 4 . . . Highlights, 1960-1959

p. 5 . . . Annual Message to Shareholders

p. 6 . . . Description and Review

p. 8 . . . Reports of Divisions

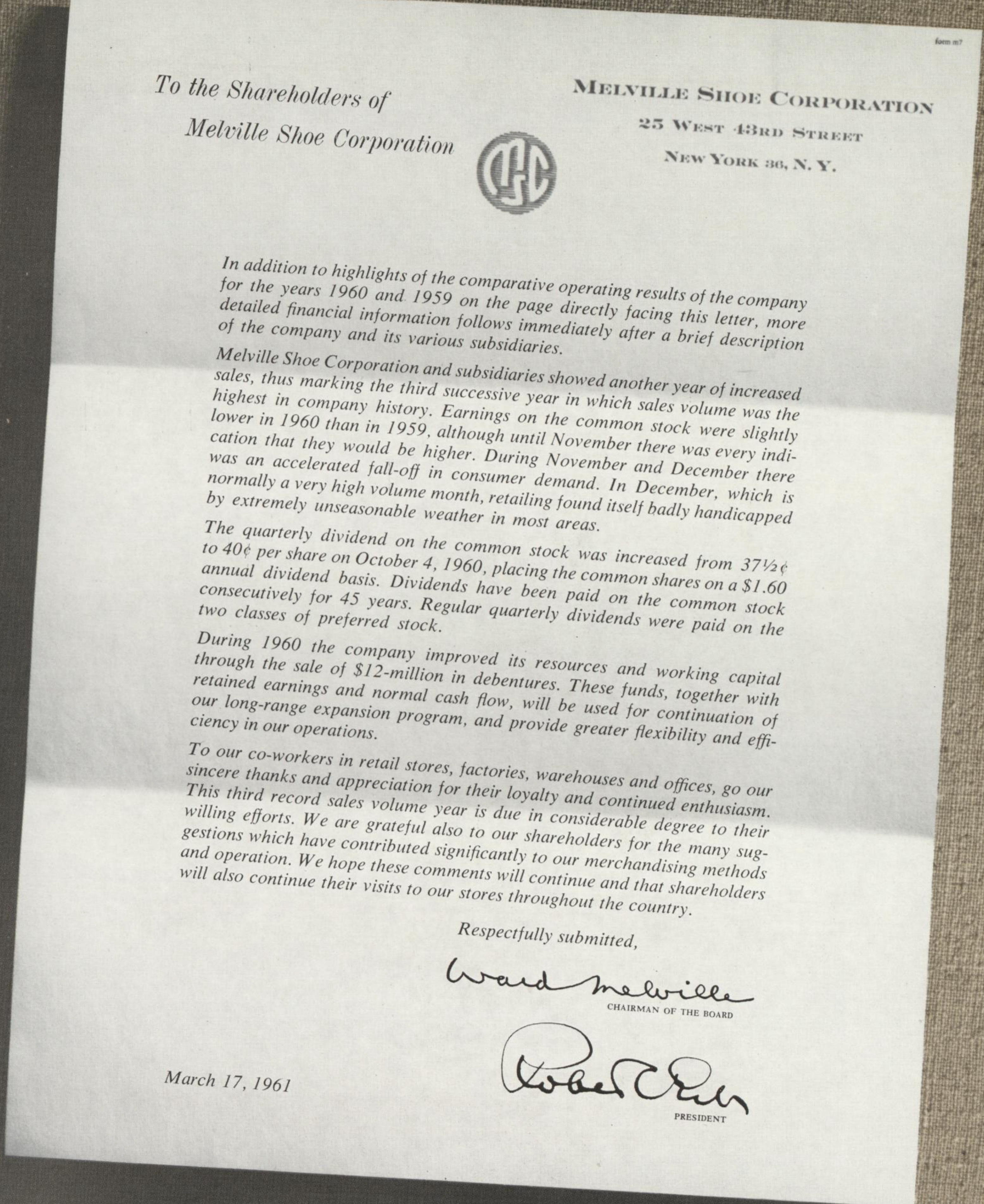
p. 18 . . Financial Statements

p. 26 . . Locations of Stores

Annual Meeting of Stockholders will be held at the Executive Offices in New York on April 11th, 1961

HIGHLIGHTS

	1960	1959	*Percent Change*
Sales:			
Store	$157,670,480	$145,279,253	+ 8.5
Other	40,984,940	42,594,071	− 3.8
Total Sales	198,655,420	187,873,324	+ 5.7
Net Sales	161,594,237	151,709,758	+ 6.5
Earnings before Federal Taxes	10,987,620	11,421,402	− 3.8
Net Earnings:	5,976,620	6,220,402	− 4.0
as percent of Total Sales	3.01%	3.31%	
as percent of Net Sales	3.70%	4.10%	
Earnings Per Share of Common Stock	1.92	2.00	− 4.0
Taxes — Federal, State and Local	8,510,580	8,261,903	+ 3.0
Taxes — Per Share of Common Stock	3.05	2.96	+ 3.0
Dividends on Common Stock	4,255,495	3,767,183	+13.0
Dividends Per Share of Common Stock	1.52½	1.35	+13.0
Wages and Compensation	40,028,701	36,457,979	+ 9.8
Cash	17,331,174	9,559,115	+81.3
Inventories	29,883,895	25,341,940	+17.9
Total Current Assets	50,114,106	38,286,610	+30.9
Total Current Liabilities	13,496,197	13,484,043	+ 0.1
Net Working Capital	36,617,909	24,802,567	+47.6
Ratio of Working Capital	3.71	2.84	+30.6
Capital Additions and Improvements	4,409,129	3,688,271	+19.5
Depreciation	3,642,821	3,352,686	+ 8.7
Property, Plant, Equipment at Cost	41,599,614	38,441,558	+ 8.2
Property, Plant, Equipment and Leasehold Improvements, Net	16,475,344	15,713,495	+ 4.8
Total Shareholders' Equity	36,774,772	36,041,655	+ 2.0
Number of Stores	1,156	1,110	+ 4.1
Number of Employees	9,059	8,727	+ 3.8



To the Shareholders of
Melville Shoe Corporation

MELVILLE SHOE CORPORATION
25 WEST 43RD STREET
NEW YORK 36, N. Y.

In addition to highlights of the comparative operating results of the company for the years 1960 and 1959 on the page directly facing this letter, more detailed financial information follows immediately after a brief description of the company and its various subsidiaries.

Melville Shoe Corporation and subsidiaries showed another year of increased sales, thus marking the third successive year in which sales volume was the highest in company history. Earnings on the common stock were slightly lower in 1960 than in 1959, although until November there was every indication that they would be higher. During November and December there was an accelerated fall-off in consumer demand. In December, which is normally a very high volume month, retailing found itself badly handicapped by extremely unseasonable weather in most areas.

The quarterly dividend on the common stock was increased from 37½¢ to 40¢ per share on October 4, 1960, placing the common shares on a $1.60 annual dividend basis. Dividends have been paid on the common stock consecutively for 45 years. Regular quarterly dividends were paid on the two classes of preferred stock.

During 1960 the company improved its resources and working capital through the sale of $12-million in debentures. These funds, together with retained earnings and normal cash flow, will be used for continuation of our long-range expansion program, and provide greater flexibility and efficiency in our operations.

To our co-workers in retail stores, factories, warehouses and offices, go our sincere thanks and appreciation for their loyalty and continued enthusiasm. This third record sales volume year is due in considerable degree to their willing efforts. We are grateful also to our shareholders for the many suggestions which have contributed significantly to our merchandising methods and operation. We hope these comments will continue and that shareholders will also continue their visits to our stores throughout the country.

Respectfully submitted,

Ward Melville
CHAIRMAN OF THE BOARD

Robert C Erb
PRESIDENT

March 17, 1961

Description of

MELVILLE SHOE CORPORATION, one of the largest integrated shoe retailing-manufacturing organizations in the United States, at the end of 1960 operated eleven factories, three principal warehouses and, with its subsidiaries, 1157 stores, located in 45 states, the District of Columbia and Puerto Rico. Factories are maintained in New Hampshire and Massachusetts and warehouses are located in Massachusetts, New Jersey and New York.

As a result of the need for additional manufacturing facilities and a comprehensive plant location survey, Melville plans the establishment of a new production division in Wilkesboro, North Carolina. This factory is scheduled to be completed in the fall of 1961 and will be operated as the Blue Ridge Shoe Company Division. The added manufacturing capacity is needed to supply the company's expanding retail divisions and to produce types of footwear not presently being produced in the eleven New England factories. The very latest in production techniques will be incorporated.

During the year 1960, retailing in general experienced a good first half, followed by a poorer second half. This trend reflects, in our opinion, a levelling off period in the over-all economy of the country. Consumers, generally, are more value conscious today than in the recent past and are making fewer non-essential purchases. Indications are that this latter trend is reacting favorably for the company because Melville store sales were up 3.7% during this second half of 1960 while all retailing was up only about 1%.

Expansion of stores for the distribution of shoes and related merchandise continued with emphasis on the suburban markets. Of the 79 new stores opened during 1960, 43 were free standing, roadside drive-in stores designed to attract customers at maximum traffic spots, while most of the rest were in important shopping centers. The company and its retail subsidiaries will continue to keep pace with the country's shifting shopping patterns and the current population increase by continuing actively to seek new stores in important shopping centers and on major highways throughout the nation, and better locations for downtown stores in urban areas wherever warranted.

During this year intensive research was carried out in the

the Business
and a Brief Review

field of self-service leased departments in discount department stores. To keep abreast of this new phase of retail distribution which has captured the imagination of the consumer, our Miles Division has been designated to undertake a rapid expansion of leased departments in this field under the name Meldisco.

Nearly 30 million pairs of footwear were processed and shipped from the three principal warehouses during 1960, as well as related items such as hosiery, handbags and other accessories. All men's and boys' shoes and accessories for the Thom McAn and John Ward stores are shipped from the warehouse in Worcester, Massachusetts. Clifton, New Jersey supplies the women's and children's merchandise for Thom McAn stores, while the New York City warehouse supplies all merchandise for the Miles stores.

In line with our continuing efforts to operate at greater efficiency, during the year we completed consolidation of our headquarters offices at 25 West 43rd Street. Plans still are being developed for utilization of an electronic data processing system with installation of the equipment scheduled for 1962. This data processing equipment will further increase efficiency and lighten the store paper work-load so that all interested personnel will be able to keep more fully abreast of expanding volumes.

With the leveling-off process taking place in our economy today, the wisdom of the basic policy of Melville Shoe Corporation – building shoes to a clear-cut standard of quality rather than shifting quality to meet predetermined prices – is proving itself one of the major factors in the company's growth and success. Our policy of holding retail price increases to an absolute minimum through improved procedures and better methods and techniques will continue to gain favorable attention from dollar-conscious consumers. This policy not only permits us to remain strongly competitive but aids the national economy in holding the line against price inflation.

The first annual Ward Melville Gold Medal for Community Improvement was awarded to the city of Philadelphia, with San Jose, California, and Washington, Connecticut, receiving Certificates of Outstanding Accomplishment. Mr. Melville, in presenting the Gold Medal to the Mayor at ceremonies in Philadelphia, related the half-century history of the company's operations in that city, and pointed out the benefits which would accrue to all businesses from the city's improvement program.

As of the end of 1960, the corporation had approximately 22,000 common and preferred shareholders. Of the total number, about 85% own 100 shares or less and 99% own less than 1,000 shares.

Approximately 82% of the company's voting shares were represented in person or by proxy at the 1960 annual meeting. This representation is an indication to management of the active interest which shareholders take in the corporation. Proxies will be solicited for the 1961 annual meeting which is to be held at 10:00 A.M. on Tuesday, April 11, 1961, at the offices of the company, 25 West 43rd Street, New York. Shareholders are urged to attend the meeting in person. Melville management is always glad to receive comments from shareholders and welcomes the opportunity to provide more information concerning its operations.

Lester R. Fallon

LESTER R. FALLON,

who retires in April as President of Thom McAn Shoe Company and as a Vice President of Melville Shoe Corporation, joined the organization in 1928 at the age of 32, at which time he served an apprenticeship as a salesman in the company's John Ward and Rival shoe stores before coming into Headquarters as a junior in merchandising management. From that time he progressed through various increasingly important tasks in connection with the selling of Thom McAn shoes, until in 1945 he was elected a Vice President of the corporation and in 1949, the Executive Vice President. In 1956 Mr. Fallon was made President of Thom McAn Shoe Company, the most important retailing operation among our divisions, and he has continued in that post, leading his team to constantly increasing sales and an ever growing number of stores, so that at the time of his retirement he will be the guiding force for a total of 881 stores. Mr. Fallon has been an important factor in the operation and growth of the Thom McAn division, and has earned the appreciation of his associates through an ability to follow fine management processes. He will be sorely missed in the organization.

Offices:

EXECUTIVE: 25 WEST 43rd STREET, NEW YORK 36, N. Y.
ACCOUNTING: 44 HAMMOND ST., WORCESTER 10, MASS.

The best of the old world fashioned in the new ▶ – outstanding Continental shoe ideas interpreted in the American way for Thom McAn customers.

Directors:

ROBERT C. ERB, *Chairman*
H. ALBERT BRODIN
LESTER R. FALLON
ROY S. FOGAS
DAVID W. HERRMANN
DAVID B. MELVILLE
WARD MELVILLE
LAFAYETTE A. TREMBLAY

Officers:

LESTER R. FALLON, *President*
• *Vice-Presidents*
ROY S. FOGAS
RICHARD H. McCARTHEY
WILLIAM J. SMITH
LAFAYETTE A. TREMBLAY
H. ALBERT BRODIN, *Treasurer*
DAVID B. MELVILLE, *Secretary*
HAROLD R. WICKHAM, *Assistant Secretary*

Retailing . . . Thom McAn SHOE COMPANY

Ever expanding horizons since its founding in October 1922 have marked the success pattern of Thom McAn, pioneer of the shoe chains in the sale of men's and boys' footwear. Starting with one store in New York City shortly after the end of World War I, the division has grown to a point where it now consists of 873 stores in 45 states (including Hawaii), the District of Columbia and Puerto Rico.

An idea of Thom McAn's planned diversification can be gleaned from the fact that of the total stores now operated, 492 sell only men's and boys' shoes, hosiery and accessories while 381 stores sell footwear and accessories for the entire family. All of the Thom McAn merchandise continues to be in the popular price range. Men's shoes are priced from $7.99 to $12.95; women's shoes run from $2.99 to $6.99; boys' shoes range from $3.99 to $6.99; and girls' shoes have a spread of $1.99 to $4.99.

Thom McAn merchandise also is distributed through domestic and foreign accounts, and a line of steel-toe safety work shoes is sold by specialty salesmen directly to plants and factories from coast to coast, as well as in a selected group of Thom McAn retail stores in industrial areas.

STORE OPERATIONS

Retail distribution continues its expansion into the suburban areas in order to keep pace with the growing shift in population. Of the 56 new McAn stores opened in 1960, only 3 were in downtown markets, 19 were family stores in shopping centers and 34 were free-standing "family shoe center" drive-ins located on important high-traffic suburban highways. At the end of 1960, subsidiaries were operating a total of 80 such drive-ins.

Modernization of existing stores and facilities continues in pace with the opening of new locations. During 1960, 25 stores were remodeled, enlarged or otherwise improved and 9 stores selling men's and boys' merchandise were relocated in improved downtown locations.

MERCHANDISING

Thom McAn continued to set the men's and boys' shoe fashion standard during 1960. The "trim and tapered" look in men's shoes – the National Shoe Institute promotion for 1961 – was being shown in Thom McAn windows during most of 1960. Nearly 50% of the men's shoes sold by Thom McAn were ROMAS – light-weight shoes styled along Italian lines which Thom McAn first introduced in 1958. ROMAS have given Thom McAn the leadership in the trend toward lighter, trimmer and more flexible men's footwear while traditional styles in continuing demand are always available in all stores.

Merchandising efforts during the year were channelled to a greater extent toward the teenage market. Younger people have become increasingly aware that *NEW IDEAS IN SHOE IDEAS ARE AT THOM McAN*. Some popular style groups designed specifically for the teenager were THE DUKE and THE DUCHESS – slip-on type shoes with a coat-of-arms emblem – and CONVERTIBLES – a Roman coin snap-o-matic device convertible to any individual initial.

Thom McAn women's and girls' shoes continued to represent outstanding value in the popular price field during 1960. Styling and quality were keyed both to the fashion conscious as well as the mass middle-of-the-road market. New MR. THOM lasts were developed in women's and girls' shoes during the year with the intention of attracting the greatest possible potential in all areas.

Thom M
ROM

◀ *Fashion harmony for Spring 1961, in Mr. Thom Designer Fashions*

ADVERTISING

During 1960 Thom McAn added radio and television advertising in selected areas to its basic pattern of large scale newspaper advertising in all major markets. Commercial announcements were placed within a musical reiteration of the theme *THE NEW IDEAS IN SHOE IDEAS ARE AT THOM McAN.*

In addition to advertising in publications circulating among high school students exclusively, television promotions directed to teenage boys and girls were also used. Prior to Easter, THE DUKE and THE DUCHESS were promoted, and at back-to-school time CONVERTIBLES appeared. These styles became big volume producers.

Thom McAn shoes were selected by the United States Olympic Committee to be worn by both the men's and women's U. S. A. teams. This gratifying recognition was announced in our advertisements in all media and, for maximum impact, was also proclaimed dramatically in the windows of all stores.

PUBLIC RELATIONS

Women's shoes again were given an important place in the Thom McAn public relations program. Collections of MR. THOM DESIGNER FASHIONS were presented in July and in December to fashion editors from all over the country at showings sponsored by the New York Couture Group. A wardrobe of Thom McAn women's shoes was included in the prizes awarded to Miss Universe of 1960.

Two continuing programs among the nation's high schools, the Thom McAn Football Trophy and Scholarship, and the Thom McAn Leadership Awards, attracted a record high number of participants. The Thom McAn Historical Shoe Collection was featured in a number of newspaper stories, and appeared on a network television show.

Miss Universe of 1960 shows one of the Mr. Thom Designer Fashions from her shoe wardrobe presented by Thom McAn.

PERSONNEL

The accelerated training effort continued during 1960. The basic thought behind this Sales Training Program is to complement Thom McAn's outstanding product value with courteous, efficient and friendly customer service in every Thom McAn store. As expansion continued during 1960, full time employment opportunities were provided for several hundred new employees and numerous promotions were made to positions of greater responsibility.

Supporting newer personnel is a group of senior employees who have been associated with Thom McAn for many years. During 1960, 44 people were welcomed into the Thom McAn Retail Quarter Century Club, bringing the membership to 452.

Melville Realty Company, Inc.

Directors:

ALBERT C. BLUNT 3rd
H. ALBERT BRODIN
LESTER R. FALLON
DAVID B. MELVILLE
ARTHUR PAAR
JAMES O. THOMAS

Officers:

ALBERT C. BLUNT 3rd, *President*
• *Vice Presidents*
FRANCIS H. GLEASON
RICHARD S. MAGEE
SPENCER D. OETTINGER
THOMAS S. ROTHWELL
JAMES O. THOMAS

H. ALBERT BRODIN, *Treasurer & Assistant Secretary*
DAVID B. MELVILLE, *Secretary*
FRANK SOKOL, *Assistant Treasurer*
• *Assistant Secretaries*
NAT ANTLER
BERTHA K. SMITH
HAROLD R. WICKHAM

ARTHUR PAAR,
Special Consultant

A group of Miles famous Fifth ▶
Avenue Fashions for Spring 1961

Retailing... MILES SHOES

Miles shoes, operating as a division of Melville Shoe Corporation since October 1952, was established in 1917. At the end of 1960 this division consisted of 272 family shoe stores located in the eastern, southeastern and midwestern United States, the largest chain of family shoe stores in that area. Miles shoes sell in the popular price ranges: Women's from $2.99 to $7.99; men's from $6.99 to $9.95; boys' and girls' from $2.99 to $6.99.

In order further to bolster the division's strong competitive advantage, 23 additional stores were opened during 1960, of which 21 are operated by subsidiaries. In keeping with the new retailing changes, 11 of these were free standing highway stores, bringing the total of these outlets to 15.

The research carried out by the Miles Division in the field of self-service leased departments during the past few years culminated in the decision to expand this new method of distribution in discount department stores.

Executive Offices and Warehouse:
459 WEST 59th STREET, NEW YORK 19, N. Y.

Directors:
MURRAY M. ROSENBERG, *Chairman*
NAT ANTLER
KENNETH K. BERLAND
MEYER BOGORFF
ROBERT C. ERB
ARTHUR B. GOLD
DAVID W. HERRMANN
SPENCER D. OETTINGER
ALFRED L. ROSE
MILES ROSENBERG
SAMUEL H. ROSENBERG

Officers:
MURRAY M. ROSENBERG, *President*
SPENCER D. OETTINGER, *Exec. Vice-Pres.*
SAMUEL H. ROSENBERG, *First Vice-Pres.*
KENNETH K. BERLAND, *Vice-Pres. & Treas.*

- *Vice-Presidents*

NAT ANTLER
SYLVAN BANE
MEYER BOGORFF
JOSEPH B. FRIEDLANDER
ARTHUR B. GOLD
NICHOLAS G. KUHN
VINCENT STURNIOLO

MILES ROSENBERG, *Secretary*

Running counter to the general picture for the country's retailing as a whole, the Miles Division recorded 1960 volume increases in its existing stores in addition to the increase generated by the new stores.

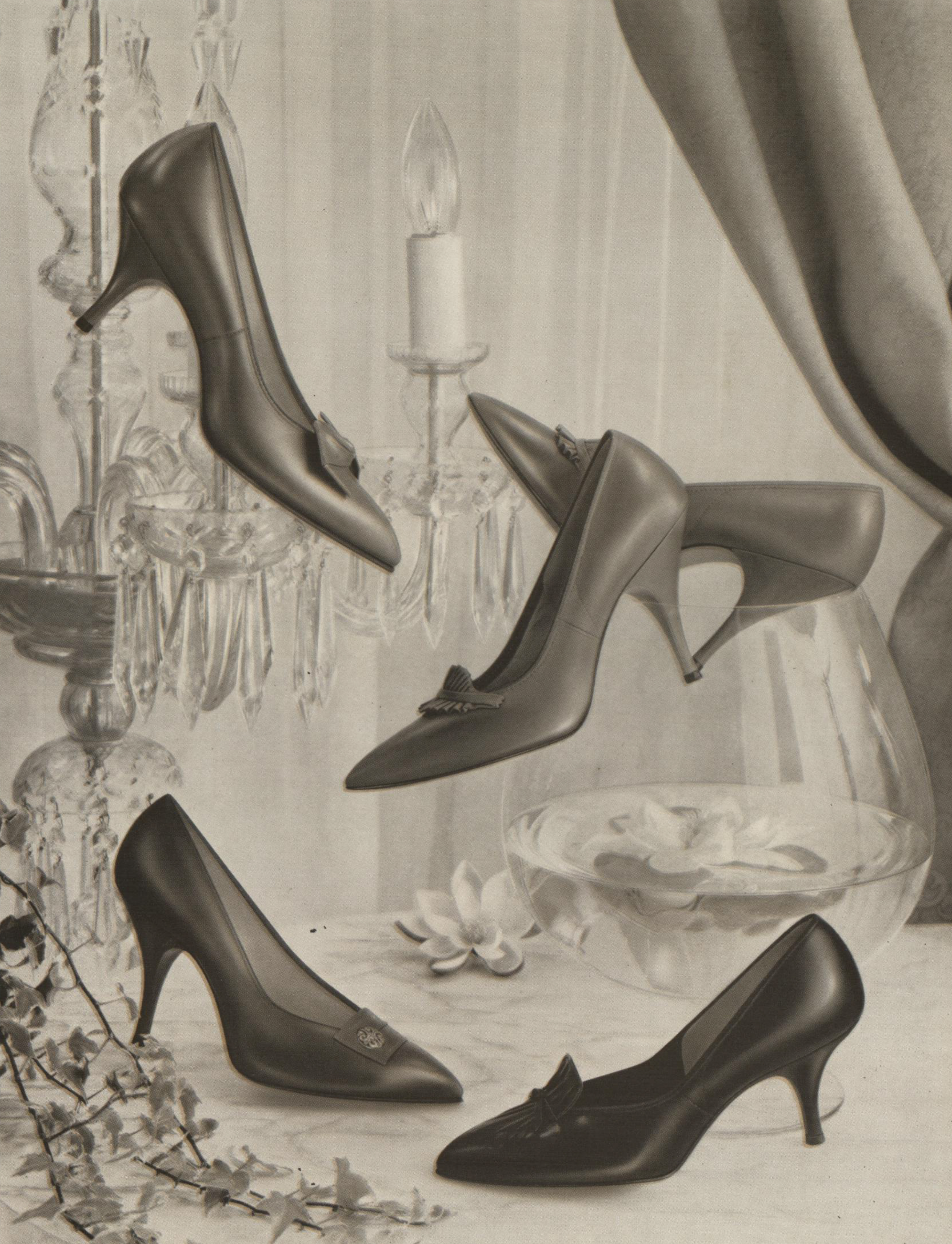
Continued close relationships with suppliers has enabled Miles to maintain its rigid standard of quality and provide the consumer with merchandise which represents outstanding values. The J. F. McElwain Company Division is the principal supplier of Miles men's and boys' shoes.

A dramatic new theme, *MILES MEANS MORE*, for the Fall and Christmas advertising gave Miles a striking distinction among retail advertisers. This theme, utilizing large scale photos of shoes, will be further developed and expanded during 1961. This theme was also utilized in stepped-up selling techniques and sales training.

Miles Fifth Avenue Fashions for Women were further diversified to satisfy the current trend toward lower heel fashion. The name MILES HAPPY MEDIUMS, designed for such footwear, gained further prominence. In the men's and boys' merchandising program, a wider range of prices and increased assortment was the keynote. In keeping with today's trend, styling of the men's shoes was designed to meet the demand in cosmopolitan as well as in suburban areas. Special emphasis on fresh and exciting promotions styled and priced for the younger man also aided in producing an upsurge in the sale of Miles men's footwear.

SEVENTEENS, the girls' teenage flat heel footwear, continued to experience an increasing demand. Other Miles flat heel shoe promotions such as the TIC-TAC-TOE were widely recognized throughout the shoe industry. MILESTRIDE children's shoes, backed by the U. S. Testing Company's endorsement as well as by Miles' own double guarantee policy, instilled further confidence on the part of the consumer. The introduction of a new molded sole construction for children's shoes with the name FUTURA, proved to be highly successful. Increased demand for sneaker footwear for all members of the family was another important trend stimulated by the introduction of new styling techniques.

Although the general retail economic outlook for 1961 indicates a slow start, the Miles Division is confident and optimistic about final results for 1961. The expansion program, together with marked innovations in merchandise distribution and merchandise control methods, will assure obaining an increased share of the total market.



John Ward quality of materials, workmanship and styling is exemplified by these Spring 1961 styles. ▶

Retailing... JOHN WARD MEN'S SHOES

Executive Offices:

26 EAST 42nd ST., NEW YORK 17, N. Y.

John J. Gavin

Directors:

WARD MELVILLE, *Chairman*
H. ALBERT BRODIN
ROBERT C. ERB
JOHN J. GAVIN
DAVID B. MELVILLE

Officers:

JOHN J. GAVIN, *President*
DAVID B. MELVILLE, *Vice-President & Secretary*
H. ALBERT BRODIN, *Treasurer*
HAROLD R. WICKHAM, *Assistant Secretary*

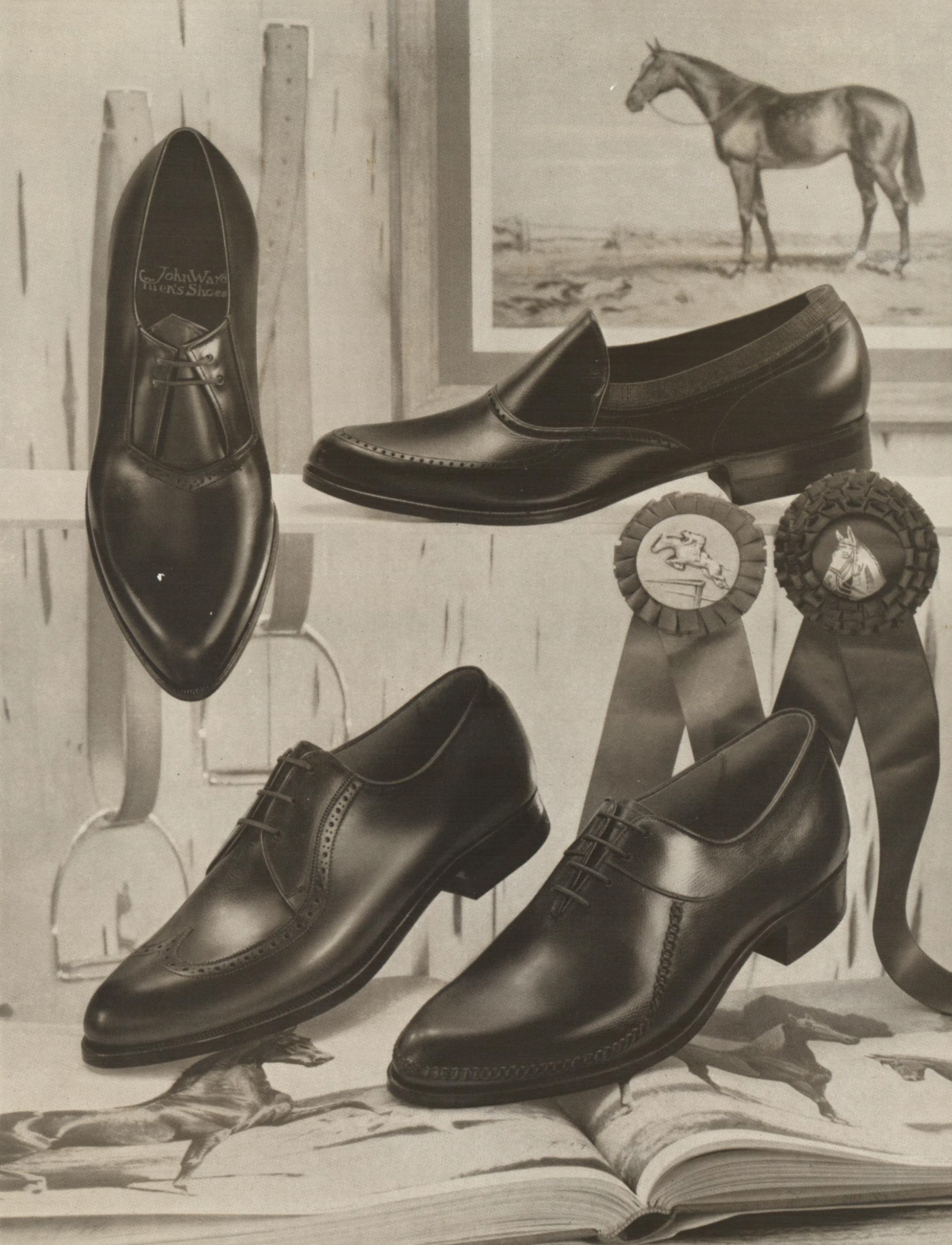
John Ward was the company's original chain of stores. Overall sales for 1960 were off due to the dip in the economy during the second half and to the record December snowfall in the John Ward territory which cut into the normally most successful month of the year.

The John Ward EXECUTIVE SERIES shoes retail from $10.95 to $16.95, while the patented construction, flexible MASTERSHOES are priced at $19.95 and the 400 SERIES, a line of stout brogues, sells at $24.95.

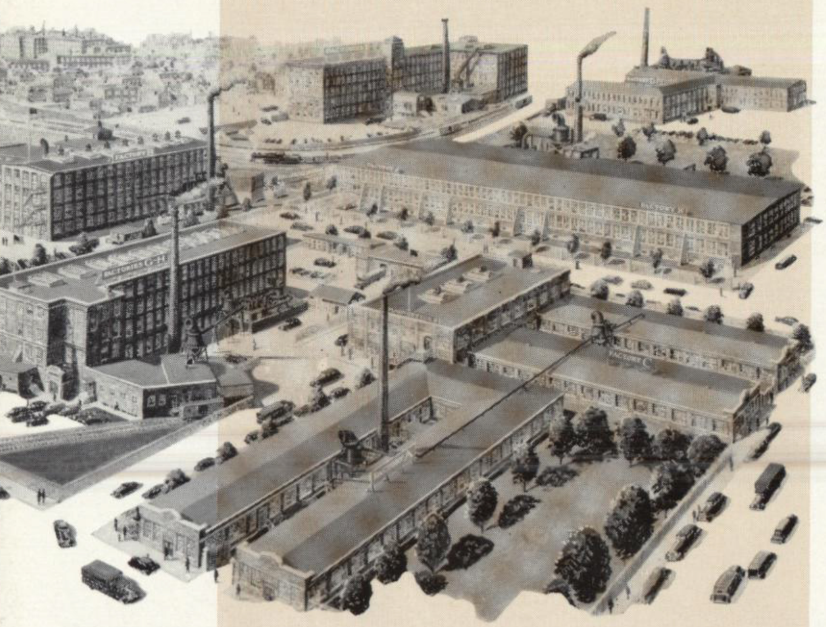
The Continental influence on men's clothing continues with a decided effect on the appearance and styling of men's shoes. Narrower toes, slimmer lines, finer upper detailing and flexibility are in increasing demand. Concurrent with the high fashion influence is the growing need for casual footwear and casual styling of the more staple types of shoes. Demand now is for more styles with quantone or skin stitching, slip-ons with various types of gores and the mystic, or elasticized finish, top. Darker toned brown shoes continue to be popular and this year John Ward introduced a new shade of upper leather in the olive family which was well received since the color is quite dark and is suitable for use with most presently popular shades of men's clothing.

Sales of shoes in the upper price brackets, particularly the MASTERSHOES, and the 400 SERIES, increased notably during the fall months with strong indications that this trend will continue.

No price changes were made in the John Ward line during 1960 and no changes are contemplated or planned for 1961. MASTERSHOES retailing and merchandising efforts will be strengthened and augmented to meet the growing demand for footwear in this price bracket.


John Ward
Men's Shoes

Manufacturing . . . J. F. McELWAIN COMPANY



- *Factories:*
  NASHUA, N.H. (4), MANCHESTER, N.H. (5), ATHOL, MASS. (2)
- *Offices:*
  103 TEMPLE ST., NASHUA, N.H.
  10 HIGH ST., BOSTON 10, MASS.

Directors:
JOHN R. DEWITT
ROBERT C. ERB
RANDALL D. ESTEN
FRANCIS H. GLEASON
JAMES C. MACKAY
A. BYRON MANSFIELD
WARD MELVILLE
JOSEPH L. MERRILL
ROBERT A. T. NELSON
SEWARD M. PATERSON
RICHARD E. WEST

Officers:
FRANCIS H. GLEASON, *President*
RICHARD E. WEST, *Executive Vice-President*
• *Vice-Presidents*
JOHN R. DEWITT
JAMES C. MACKAY
SEWARD M. PATERSON

RANDALL D. ESTEN, *Treasurer & Secretary*
CLINTON P. WALLACE, *Controller*
AGNES H. FISCHER, *Assistant Treasurer*

ORGANIZED in 1922 primarily to produce Thom McAn shoes, the J. F. McElwain Company was merged into the Corporation in 1939 and manufactures men's and boys' shoes for both Thom McAn and Miles. The McElwain Division also produces private brand shoes for others and for various branches of the armed services.

Shoemaking is becoming more of a scientifically engineered process as a result of the growing trend toward many new superior man-made materials. This is particularly true of outer and inner soles as well as improved sole attaching cements. The constantly increasing uniformity of these new materials and improved conditions of manufacture permit many opportunities for semi-automated pre-assembling and conveyorizing. The McElwain engineering department has introduced many important innovations in this area resulting in reduced cost and lowered materials handling expense.

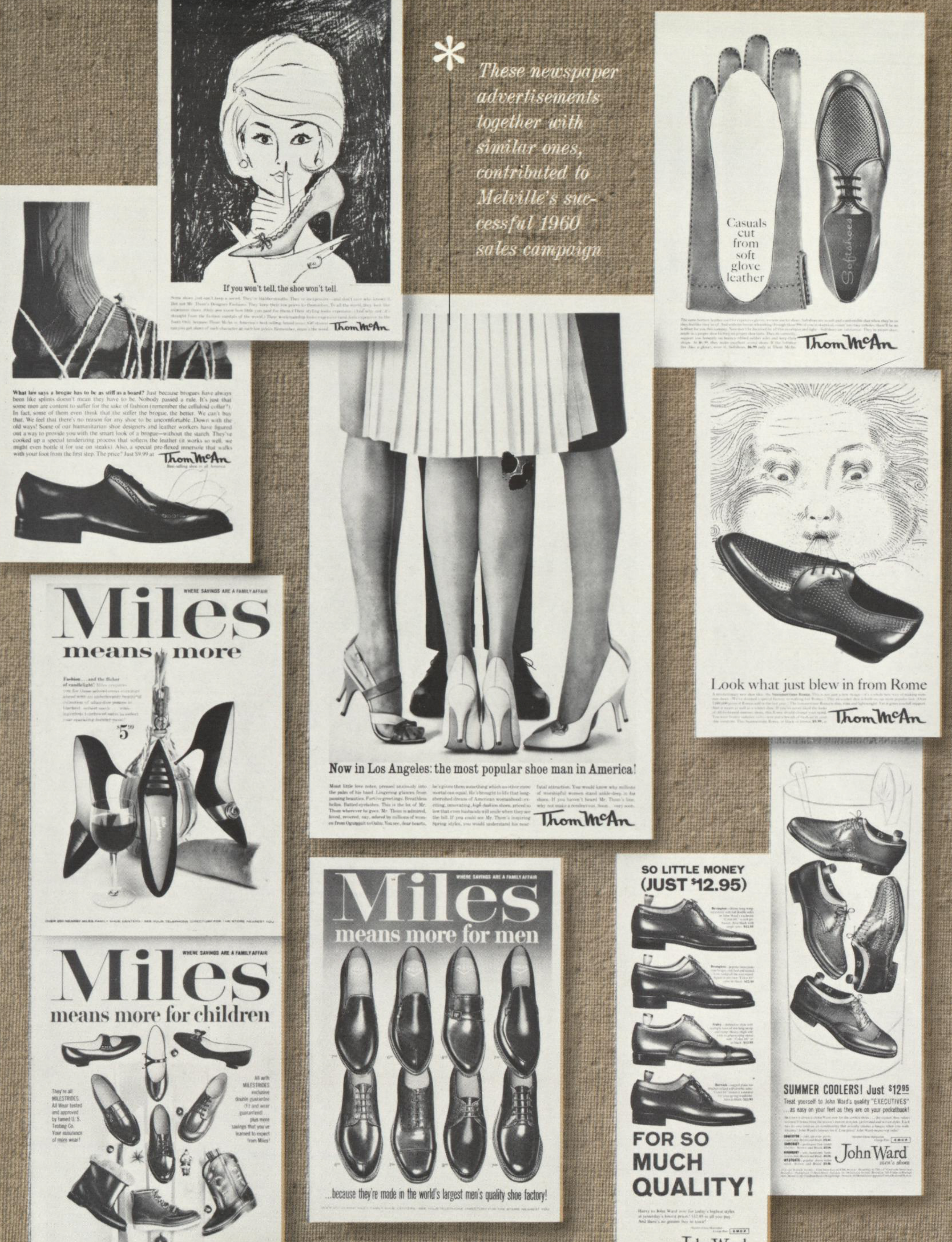
This past year, a third men's dress shoe factory was converted from the Goodyear welt process to the cement process of sole attachment, which is ideal for light-appearing and flexible styles. Steadily growing demand for high style shoes has been an important factor in the increasing sales of the Thom McAn and Miles divisions and McElwain continues to be the largest producer in the country of such cement process footwear.

In addition, one factory producing boys' shoes has been converted to this same cement construction. In this factory, the economies of a premolded single unit sole and heel have also been incorporated. This process not only eliminates many shoe-making operations but has an advantage over vulcanizing and injection molding of outersoles to shoes in that changes in styles and lasts may be made with much less expense in new mold equipment. This styling flexibility is most important.

As part of its research program, the division completed a contract with the United States Navy for shoes which were made entirely of non-leather materials. These shoes will be wear-tested by the Navy as part of a plan for assuring footwear availability during a national emergency in the event of a shortage of leather. Another research project covered shoes using upper leathers especially treated to resist scuffing and abrasion. Testing of new materials and machinery continues at an accelerated pace.

Because of the changing character of the shoe manufacturing industry, the McElwain Division, in addition to its research work, has instituted a long range training and development program designed to build and stimulate a young, aggressive management team with progressive ideas and a flexible approach.

During the year, Robert A. T. Nelson retired as Vice President in charge of manufacturing after 23 years of dedicated and extremely valuable service.



These newspaper advertisements, together with similar ones, contributed to Melville's successful 1960 sales campaign

If you won't tell, the shoe won't tell.

Thom McAn

What law says a brogue has to be as stiff as a board? Just because brogues have always been like splints doesn't mean they have to be. Nobody passed a rule. It's just that some men are content to suffer for the sake of fashion (remember the celluloid collar?). In fact, some of them even think that the stiffer the brogue, the better. We can't buy that. We feel that there's no reason for any shoe to be uncomfortable. Down with the old ways! Some of our humanitarian shoe designers and leather workers have figured out a way to provide you with the smart look of a brogue—without the starch. They've cooked up a special tenderizing process that softens the leather (it works so well, we might even bottle it for use on steaks). Also, a special pre-flexed innersole that walks with your foot from the first step. The price? Just $9.99 at Thom McAn

Casuals cut from soft glove leather

Softshoes

Thom McAn

Now in Los Angeles: the most popular shoe man in America!

Thom McAn

Look what just blew in from Rome

Thom McAn

WHERE SAVINGS ARE A FAMILY AFFAIR

Miles means more

Fashion . . . and the flicker of candlelight!

$5.99

WHERE SAVINGS ARE A FAMILY AFFAIR

Miles means more for children

They're all MILESTRIDES. All Wear tested and approved by famed U. S. Testing Co. Your assurance of more wear!

All with MILESTRIDES exclusive double guarantee (fit and wear guaranteed) . . . plus more savings that you've learned to expect from Miles!

WHERE SAVINGS ARE A FAMILY AFFAIR

Miles means more for men

...because they're made in the world's largest men's quality shoe factory!

SO LITTLE MONEY (JUST $12.95)

FOR SO MUCH QUALITY!

SUMMER COOLERS! Just $12.95

Treat yourself to John Ward's quality "EXECUTIVES" ...as easy on your feet as they are on your pocketbook!

John Ward men's shoes

MELVILLE SHOE CORPORATION

STATEMENT OF CONSOLIDATED FINANCIAL

ASSETS	1960	1959 *(as restated—note 1)*
Current assets:		
Cash (note 2)	$ 17,331,174	$ 9,559,115
Accounts receivable, less provision for possible losses	916,350	1,049,753
Inventories (note 3)	29,883,895	25,341,940
Prepaid expenses	1,508,296	1,245,966
Land and buildings under construction, at cost, covered by agreements for sale and leaseback	474,391	1,089,836
Total current assets	50,114,106	38,286,610
Property, plant, equipment and leasehold improvements, at cost	41,599,614	38,441,558
Less accumulated depreciation and amortization	25,124,270	22,728,063
	16,475,344	15,713,495
Unamortized debt discount and expense	285,843	29,094
	$ 66,875,293	$ 54,029,199

See accompanying notes to financial statements.

and subsidiary companies

CONDITION AS OF DECEMBER 31, 1960 WITH COMPARATIVE FIGURES FOR 1959

LIABILITIES	1960	1959 *(as restated—note 1)*
Current liabilities:		
Accounts payable and accrued expenses	$ 9,501,459	$ 9,234,321
Federal taxes on income	3,921,738	4,177,722
Current instalment on long-term debt (note 4)	73,000	72,000
Total current liabilities	13,496,197	13,484,043
Long-term debt (note 4):		
4⅞ % Debentures, due 1980	12,000,000	–
3½ % Second Promissory Note, due 1984	2,565,000	2,638,000
	14,565,000	2,638,000
Provision for retirement payments (note 5)	918,924	777,601
Deferred Federal taxes on income (note 1)	1,120,400	1,087,900
Shareholders' equity:		
Capital (note 6):		
Preferred stock:		
Series A, $4.75 dividend	2,030,000	2,030,000
Series B, $4.00 dividend	13,952,300	13,952,300
Common stock (note 7)	11,905,813	11,905,813
	27,888,113	27,888,113
Retained earnings at end of year	9,763,566	8,656,949
	37,651,679	36,545,062
Less cost of preferred shares held in treasury (note 2)	876,907	503,407
Total shareholders' equity	36,774,772	36,041,655
	$ 66,875,293	$ 54,029,199

Commitments and contingent liabilities (notes 4, 5, 7 and 8).

MELVILLE SHOE CORPORATION

STATEMENT OF CONSOLIDATED EARNINGS AND RETAINED EARNINGS

Year ended December 31, 1960 with comparative figures for 1959

	1960	1959 *(as restated—note 1)*
Sales:		
Stores	$157,670,480	$145,279,253
Factories and warehouse	40,984,940	42,594,071
Total sales	198,655,420	187,873,324
Less inter-division sales	37,061,183	36,163,566
Net sales	161,594,237	151,709,758
Cost of sales and store operating, selling, general and administrative expenses (exclusive of following deductions)	146,334,240	136,389,451
	15,259,997	15,320,307
Deduct:		
Depreciation and amortization (note 1)	3,642,821	3,352,686
Employees' retirement plans (note 5)	428,118	424,285
Interest charges	554,744	357,877
	4,625,683	4,134,848
	10,634,314	11,185,459
Other income – net	353,306	235,943
Earnings before Federal taxes	10,987,620	11,421,402
Provision for Federal income taxes (note 1)	5,011,000	5,201,000
Net earnings (note 1)	5,976,620	6,220,402
Retained earnings at beginning of year (note 1)	8,656,949	6,852,873
	14,633,569	13,073,275
Deduct cash dividends paid:		
Preferred stock, Series A, $4.75 a share	77,916	93,111
Preferred stock, Series B, $4.00 a share	536,592	556,032
Common stock, $1.52½ a share; 1959, $1.35 a share	4,255,495	3,767,183
	4,870,003	4,416,326
Retained earnings at end of year (note 4)	$ 9,763,566	$ 8,656,949

Notes to Financial Statements

1. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany items and transactions have been eliminated.

The consolidated financial statements include for the first time the accounts of a majority-owned Miles Division realty subsidiary company, which on June 21, 1960 became wholly-owned. The amounts applicable to 1959 have been adjusted for comparative purposes and have had the effect of increasing previously reported net earnings and retained earnings for 1959 by $56,264 and $162,885, respectively.

In 1954 the Company and subsidiaries adopted an accelerated method of computing depreciation for Federal income tax purposes but did not make annual provision for deferred Federal income taxes on the excess of the depreciation so computed over that charged in the accounts. The aggregate amount of such deferred taxes at December 31, 1959, $950,000, excluding $137,900 applicable to the real estate subsidiary, included in the consolidated financial statements for the first time and for which provision had been made previously, has been retroactively reflected in the consolidated financial statements, the effect of which was to reduce previously reported earnings for 1959 by $123,000 and retained earnings as of the beginning of 1959 by $827,000.

2. The Company is required to set aside annually maximum amounts of $43,000 and $279,000 as sinking funds to purchase for retirement shares of Series A and Series B preferred stock, respectively, at prices not exceeding $100 per share. Any balance not so applied within one year shall be returned to the general funds of the Company. At December 31, 1960, the unexpended cash in sinking funds amounted to $279,000 and is included in the cash account. Shares purchased and held for retirement under provision of the sinking funds are included in treasury stock until such time as they are retired; additional shares purchased in excess of sinking fund provisions are also included in treasury stock.

3. Approximately 22% of the consolidated inventories are valued at last-in, first-out (LIFO) cost, which is substantially below market. The remaining portion of inventories are valued at the lower of cost or market, based mainly on the retail inventory method.

4. The indenture relating to the 4⅞% Debentures requires the Company to make minimum annual sinking fund payments to the Trustee for each of the years 1963 to 1979, inclusive, in an amount sufficient to redeem $600,000 principal amount of Debentures at the sinking fund redemption price ranging from 103⅞% in 1963 to 100% in 1979. To satisfy the requirements of the sinking fund, in whole or in part, the Company may, at its option, deliver Debentures to the Trustee for cancellation.

The indenture relating to the foregoing indebtedness contains certain restrictions as to payment of cash dividends and retirement of the Company's capital stock. At December 31, 1960 approximately $8,600,000 of consolidated retained earnings was not so restricted.

The 3½% Second Promissory Note of the real estate subsidiary consolidated for the first time in 1960 is payable in quarterly instalments of increasing amounts from $18,000 to $47,000, the last of which is due on June 1, 1984. The note provides various restrictions relating, among other things, to the creation of mortgages and certain other indebtedness.

5. The Company has an unfunded pension plan for its factory employees. This plan is part of two union agreements effective until March 31, 1961 and thereafter subject to automatic renewal annually unless notice is given by either party. The Company is making annual provision sufficient during the period ending December 31, 1961 to cover pensions for life to factory employees expected to retire during the period. Based on a recent actuarial report the liability for such pensions as of December 31, 1961 is estimated at $1,100,000 (net of Federal income taxes), of which $967,350 has been provided in the accounts.

The Employees' Retirement Plan effective January 1, 1943 is a contributory plan for certain employees which became fully funded in 1954 under an amended method of computing the actuarial liability adopted at that time. On the basis of actuarial reports no employer contributions have been required since that time.

There are two non-contributory pension plans for the non-union employees in the Miles Division. With respect to the 1955 plan for store employees, reserves (net of Federal income taxes) sufficient to cover pensions for life at the time of retirement of each employee will be provided. To date, one employee has retired under this plan. With respect to the plan for non-store employees, which became effective January 1, 1957, $35,500 (net of Federal income taxes) will be provided by December 31, 1962, to cover pensions for life for seven employees expected to retire during the five-year period.

6. Capital stock consists of the following:

Cumulative preferred stock, par value $100 a share, issuable in series:	
Authorized, 248,800 shares.	
Issued:	
Series A, $4.75 dividend (redeemable at $100 plus accrued dividends), authorized and issued, 20,300 shares (including 4,020 shares in treasury)	$ 2,030,000
Series B, $4.00 dividend (redeemable from $103 after December 1, 1960 to $100 after December 1, 1966, plus accrued dividends in each case), authorized and issued, 139,523 shares (including 6,310 shares in treasury)	13,952,300
	$15,982,300
Common stock, par value $1 a share:	
Authorized, 3,500,000 shares; issued and outstanding, 2,790,458 shares (note 7)	11,905,813
	$27,888,113

Common stock includes additional capital amounting to $9,066,897 which arose from conversion of 4% preferred shares into shares of common stock prior to redemption of the 4% preferred shares in February 1950 and is included in common stock capital in accordance with statutory requirements. Capital surplus of $48,458 arising from purchases at less than par value and subsequent retirement of shares of Series A preferred stock and of certain shares of Miles Shoes Incorporated is also included in the common stock account.

7. Under the Company's restricted stock option plan, options were granted in 1956 to two officers to purchase 10,000 shares each of common stock of the Company at a price of $31⅜ per share, which was the market value on the date the options were granted. Each of the options, which expire on the earlier of March 31, 1966, or within three months after the termination of employment, are exercisable, cumulatively, at the rate of 2,000 shares per year. None of the options has been exercised.

8. At December 31, 1960, the total minimum annual rentals, payable under leases expiring after five years, was approximately $5,612,000. Leases covering about 80% of this amount expire on various dates within the next 16 years.

During the year 1960, store properties having a cost of approximately $4,706,000 were sold at a profit of approximately $124,000 (after taxes) and leased back on a long-term basis, with options to renew. The minimum annual rentals under these leases are included in the information in the paragraph above.

ACCOUNTANTS' REPORT

To the Board of Directors and Shareholders
of Melville Shoe Corporation:

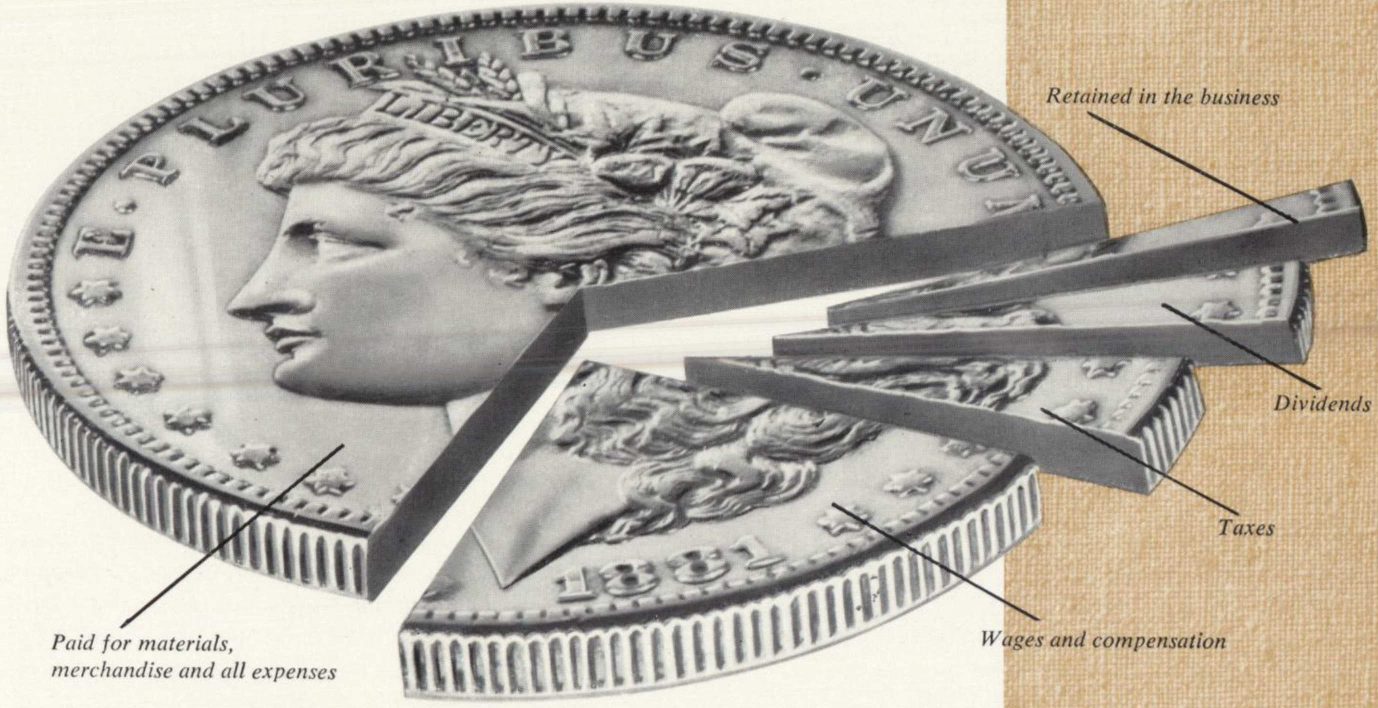
We have examined the statement of consolidated financial condition of Melville Shoe Corporation and subsidiary companies as of December 31, 1960 and the related statement of consolidated earnings and retained earnings for the year then ended. Our examination, which included all divisions and companies except the Miles Shoes Division and related subsidiaries (which are of major importance), was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As regards the Miles Shoes Division and related subsidiaries, the accounts of which are incorporated in the accompanying consolidated financial statements, we have been furnished with the report of S. D. Leidesdorf & Co., Certified Public Accountants.

In our opinion, based on our examination and on the report referred to in the paragraph above, the accompanying statement of consolidated financial condition and statement of consolidated earnings and retained earnings present fairly the financial position of Melville Shoe Corporation and subsidiary companies at December 31, 1960 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent (except for the changes, which we approve, explained in note 1 to the financial statements) with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.
ACCOUNTANTS AND AUDITORS
SEVENTY PINE STREET
NEW YORK 5, N. Y.

February 25, 1961
New York, N. Y.

Distribution of Sales Revenue....


E · PLURIBUS · UNU
LIBERTY
1881
Retained in the business
Dividends
Taxes
Wages and compensation
Paid for materials, merchandise and all expenses

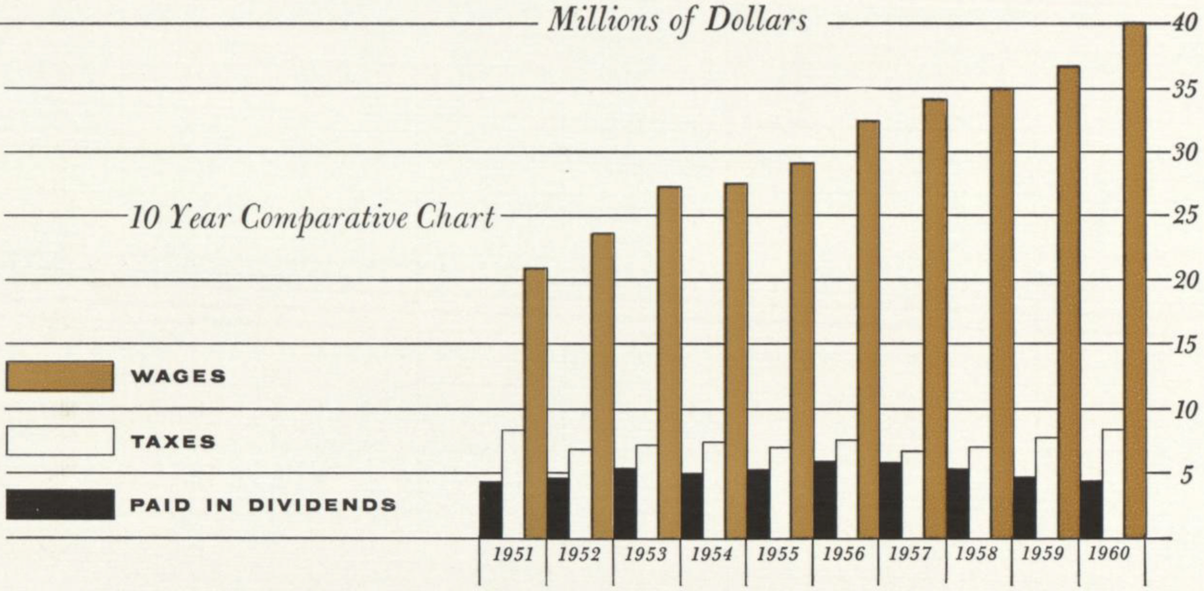
	1960	1959
Received from the sale of products	$161,594,237	$151,709,758
Paid for materials, merchandise and all expenses, exclusive of taxes and other amounts paid to or for the benefit of employees	107,078,336	100,769,474
Remainder	54,515,901	50,940,284
This was divided as follows:		
Wages and compensation	40,028,701	36,457,979
Taxes	8,510,580	8,261,903
Paid to shareholders or retained in the business	5,976,620	6,220,402

In 1960 after payment for materials, merchandise, taxes and other necessary expenses, 87% of the balance went to 9,059 employees and 13% was paid to the 22,000 shareholders or retained in the business.

ANALYSIS—Wages, Taxes, Dividends

	Net Sales	Net Income	% of Net Income To Net Sales	Taxes	Wages	Per Share of Common Stock			
						Earnings	Dividends	Taxes	Wages
1960	$161,594,237	$5,976,620	3.70	$8,510,580	$40,028,701	$1.92	$1.52½	$3.05	$14.34
1959	151,709,758	6,220,402	4.10	8,261,903	36,457,979	2.00	1.35	2.96	13.07
1958	136,436,124	5,565,782	4.08	7,453,337	35,014,142	1.76	1.55	2.67	12.55
1957	130,355,538	5,638,618	4.33	7,319,322	34,327,002	1.78	1.80	2.62	12.30
1956	126,124,405	5,920,940	4.69	7,945,606	32,760,367	1.89	1.80	2.85	11.74

Federal, state and local taxes paid by the company and its subsidiaries in 1960 amounted to $8,510,580 which was equivalent to $3.05 per share of common stock outstanding. This represents only the taxes paid directly, and does not reflect the taxes which were already a part of the cost of goods and services purchased in the course of manufacturing and distributing merchandise. Thus a high proportion of the price of a pair of shoes – more than 20% – goes for taxes. This is an illustration of the sometimes forgotten fact that the country's present high tax burden is borne by everyone who purchases goods or services, and that any future increase in the tax load will be an increase in the burden on all families, whatever their status may be as direct tax-payers. Too widespread is the shortsighted view that everyone can get more and more from government at the expense of someone else. It should be clear that such an attitude is in direct opposition to the principles of personal freedom and initiative that have made this country what it is today. It should startle anyone to know that during the past 20 years Federal personal income tax collections have increased more than 3000%, while during the same period, total personal income of our people has risen only about 400%. It is fantastic that the tax bite now amounts to about 20% of our gross national product.

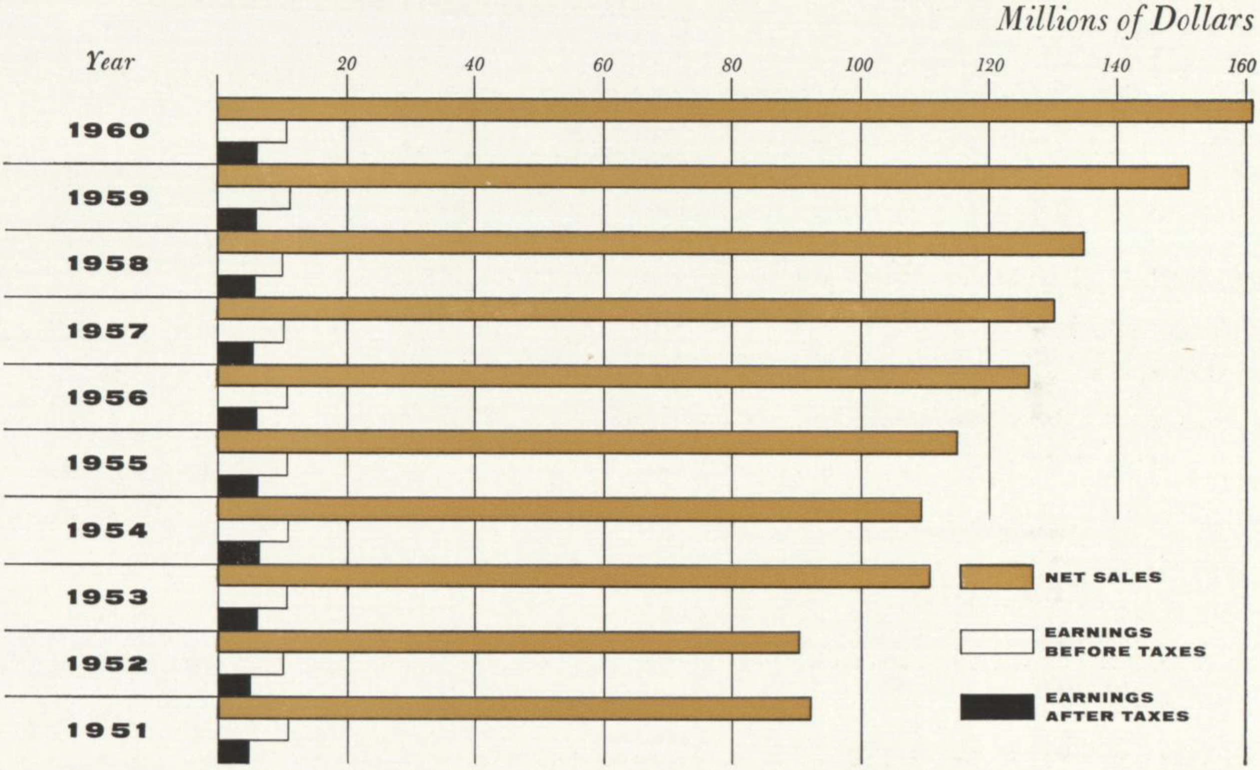


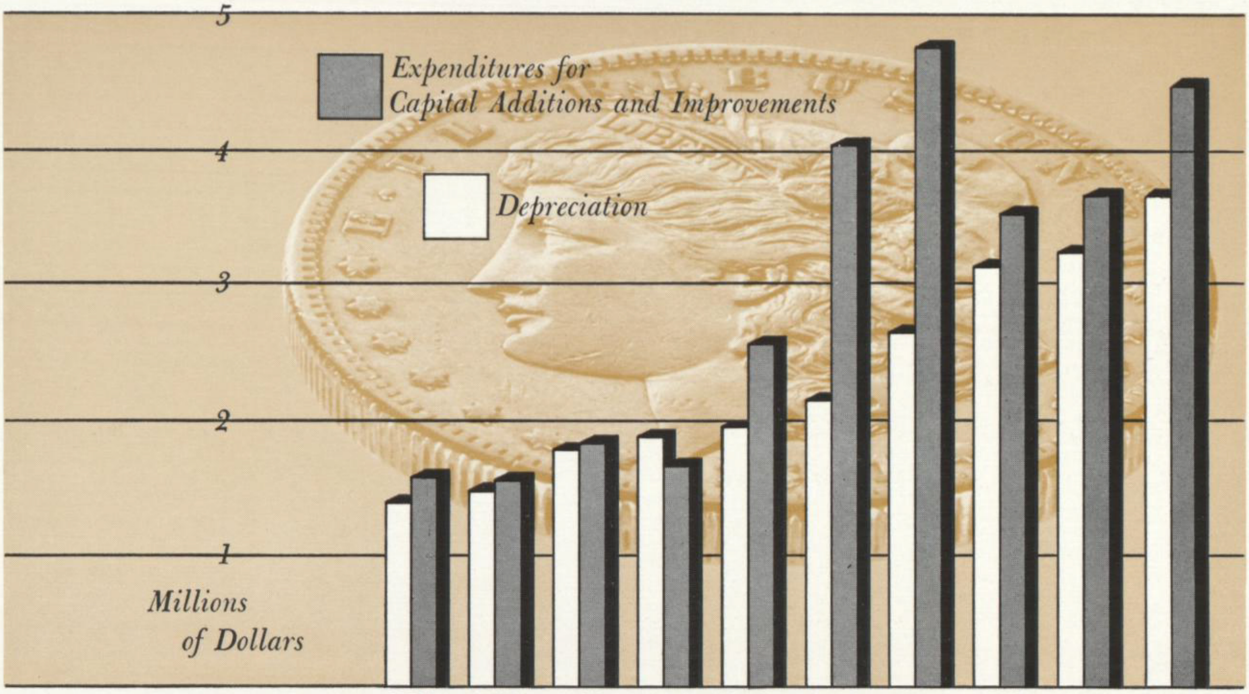
STATISTICAL RECORD *of Melville Shoe Corporation and Subsidiaries*

Year	Stores at Year-end	Store Sales	Factory and Warehouse Sales	Total Sales	Net Sales	Wages and Compensation	Taxes-All	Earnings before Federal Income and Excess Profits Taxes	Earnings After Taxes	Dividends Paid
1960	1,156	$157,670,480	$40,984,940	$198,655,420	$161,594,237	$40,028,701	$8,510,580	$10,987,620	$5,976,620	$4,870,003
1959	1,110	145,279,253	42,594,071	187,873,324	151,709,758	36,457,979	8,261,903	11,421,402	6,220,402	4,416,326
1958	1,053	129,066,540	42,024,288	171,090,828	136,436,124	35,014,142	7,453,337	10,442,782	5,565,782	4,980,417
1957	1,018	122,076,438	44,381,086	166,457,524	130,355,538	34,327,002	7,319,322	10,310,634	5,638,618	5,681,063
1956	947	115,987,762	48,164,148	164,151,910	126,124,405	32,760,367	7,945,606	11,496,966	5,920,940	5,682,546
1955	886	106,721,861	44,391,068	151,112,929	114,495,706	29,778,832	7,644,740	11,210,272*	5,732,635*	5,124,946
1954	834	100,839,255	42,510,630	143,349,885	107,866,310	27,608,765	7,193,198	11,211,351	5,929,351	5,124,946
1953	794	99,551,584	45,613,054	145,164,638	108,870,972	27,327,473	6,962,746	10,933,798	5,732,798	5,124,943
1952	739	77,362,760	47,104,106	124,466,866	90,384,955	23,584,510	6,631,069	9,780,990	4,712,710	4,449,190
1951	577	71,075,477	54,847,259	125,922,736	92,740,699	21,052,294	7,228,010	10,456,529	4,669,369	4,212,803
1950	560	70,886,795	42,978,136	113,864,931	77,080,780	18,924,759	5,653,838	9,630,686	5,188,836	4,213,027
1949	560	71,864,212	43,292,986	115,157,198	78,028,920	19,258,854	4,640,645	9,099,339	5,538,010	4,094,286
1948	547	75,568,381	48,446,862	124,015,243	83,593,261	19,842,748	4,919,880	9,655,816	5,907,816	4,039,401
1947	519	71,992,773	48,566,594	120,559,367	77,145,950	18,747,576	4,971,733	9,437,690	5,419,690	3,686,212
1946	519	60,213,552	35,072,592	95,286,144	63,835,344	15,728,749	3,397,749	6,586,968	3,895,968	2,605,374
1945	536	41,216,792	34,956,285	76,173,077	56,846,202	14,038,031	3,008,300	4,631,577	2,400,907	2,309,018
1944	549	37,051,163	33,238,881	70,290,044	54,367,141	13,018,344	2,545,030	3,884,527	2,192,797	2,315,104
1943	556	39,238,096	29,288,336	68,526,432	51,564,039	11,778,538	2,985,542	4,674,122	2,452,069	2,315,137
1942	579	51,644,040	36,982,550	88,626,590	64,028,487	13,990,280	5,714,719	7,478,200	2,582,863	2,315,965
1941	659	46,653,910	28,588,553	75,242,463	51,359,632	11,982,680	2,789,468	4,753,348	2,924,275	2,542,354
1940	666	40,260,777	22,446,029	62,706,806	42,596,249	9,847,880	1,921,556	4,339,218	3,210,961	2,554,019
1939	663	38,326,853	21,721,707	60,048,560	40,873,780	9,913,010	1,625,112	3,873,292	3,141,161	2,404,514
1938	677	36,042,285	19,053,609	55,095,894	37,596,604	9,390,127	1,364,004	2,808,403	2,295,534	1,883,275
1937	690	38,155,438	22,199,736	60,355,174	39,377,533	9,976,537	1,335,660	3,344,873	2,801,695	2,896,674
1936	651	35,300,758	19,578,204	54,878,962	36,530,113	8,630,006	1,283,826	4,282,927	3,534,897	2,768,580
1935	609	30,355,524	16,947,267	47,302,791	31,420,675	7,765,484	871,106	3,477,078	3,001,984	1,744,450
1934	588	27,215,927	14,398,684	41,614,611	28,326,776	6,834,385	770,788	3,072,171	2,634,265	1,243,747
1933	535	21,112,783	10,631,665	31,744,448	22,499,867	5,367,621	592,982	2,345,562	2,069,059	930,139
1932	499	20,594,311	8,497,864	29,092,175	21,732,165	4,669,608	367,652	1,306,012	1,185,338	997,404

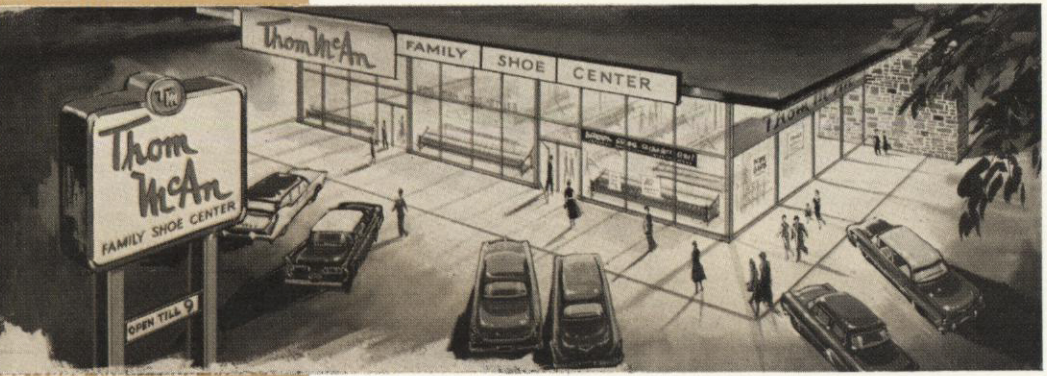
**Excluding non-recurring real estate profit.*

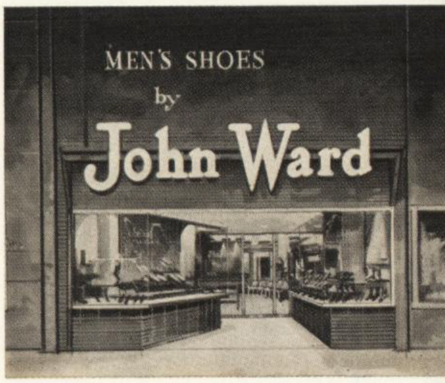
J. F. McElwain Company figures are included in all years; Miles Shoes figures are included from date of consolidation, Oct. 1, 1952.


Millions of Dollars
Year
20
40
60
80
100
120
140
160
1960
1959
1958
1957
1956
1955
1954
1953
1952
1951
NET SALES
EARNINGS BEFORE TAXES
EARNINGS AFTER TAXES


5
4
3
2
1
Millions of Dollars
Expenditures for Capital Additions and Improvements
Depreciation
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960

STORES of MELVILLE SHOE CORPORATION *and subsidiary companies as of December 31, 1960*





Thom McAn STORES:

ALABAMA (11)
Birmingham (3)
Florence
Huntsville
Mobile (2)
Montgomery (2)
Prichard
Tuscaloosa

ARIZONA (7)
Mesa
Phoenix (4)
Tucson (2)

ARKANSAS (2)
Fort Smith
Little Rock

CALIFORNIA (66)
Alameda
Alhambra
Arcadia
Bakersfield
Burbank
Compton
Costa Mesa
Daly City
East Los Angeles
El Monte
Fontana
Fresno
Fullerton
Gardena
Garden Grove
Glendale
Hayward
Hollywood
Huntington Park
Lakewood
Long Beach (2)
Los Angeles (4)
Modesto
Mountain View
Napa
National City
North Hollywood
Norwalk
Oakland (2)
Pacoima
Palo Alto
Pasadena
Pomona
Redwood City
Reseda
Richmond
Riverside
Sacramento (2)
San Bernardino
San Diego (3)
San Francisco (3)
San Jose (2)
San Leandro
San Mateo (2)
Santa Ana (2)
Santa Barbara
Santa Monica
Santa Rosa
Van Nuys (2)
Ventura
West Covina
Whittier

COLORADO (7)
Colorado Springs
Denver (4)
Lakewood
Westminster

CONNECTICUT (21)
Bridgeport (2)
Danbury
Derby
East Hartford
Hamden
Hartford
Meriden
Milford
Middletown
New Britain
New Haven (2)
New London
Norwich
South Manchester
South Norwalk
Stamford
Torrington**
Waterbury (2)

DELAWARE (3)
Wilmington (3)

District of COLUMBIA (4)
Washington (4)

FLORIDA (46)
Bradenton
Coral Gables
Daytona Beach
Fort Lauderdale (3)
Gainesville
Hialeah
Homestead
Jacksonville (7)
Largo
Key West
Lakeland (2)
Miami (9)
Miami Beach
Orlando (2)
Panama City
Pensacola (2)
Sarasota
St. Petersburg (3)
Tallahassee (2)
Tampa (3)
West Palm Beach
Winter Haven

GEORGIA (10)
Albany
Atlanta (2)
Augusta (2)
Columbus
East Point
Macon
Rome
Savannah

HAWAII (1)
Honolulu

IDAHO (1)
Boise

ILLINOIS (46)
Aurora
Berwyn
Bloomington
Champaign*
Chicago (24)
Chicago Heights
Danville*
Decatur
Glen Ellyn
Harvey
Hillside
Joliet
Kankakee
Moline
Mt. Prospect
Norridge
Peoria
Quincy
Rockford
Rock Island
Springfield
Villa Park
Waukegan

INDIANA (21)
Anderson
Elkhart
Evansville
Fort Wayne (3)
Gary (2)
Hammond (2)
Indianapolis (5)
Lafayette
Marion
Muncie (2)
Richmond
South Bend

IOWA (2)
Davenport
Des Moines

KANSAS (1)
Wichita

KENTUCKY (11)
Ashland*
Covington
Lexington
Louisville (5)
Newport
Owensboro
Paducah

LOUISIANA (17)
Alexandria
Baton Rouge (3)
Bossier City
Gretna
Lafayette
Lake Charles (2)
Metairie (2)
Monroe
New Orleans (4)
Shreveport

MAINE (2)
Lewiston
Portland

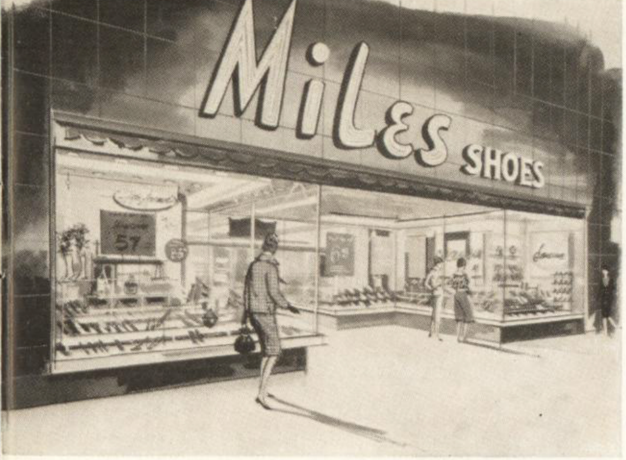
MARYLAND (23)
Baltimore (10)
Carney
College Park
Cumberland
Easton
Forestville
Frederick
Glen Burnie
Hagerstown (2)
Pikesville
Rockville
Silver Spring
West Hyattsville

MASSACHUSETTS (47)
Attleboro
Boston (11)
  Allston
  Boston (3)
  Dorchester (2)
  East Boston
  Hyde Park
  Roslindale
  Roxbury
  South Boston
Brockton
Cambridge
Chelsea
Everett
Fall River
Fitchburg
Framingham
Haverhill
Holyoke
Lawrence
Lowell
Lynn (2)
Malden
Medford
Natick
New Bedford (2)
Norwood**
Peabody
Pittsfield
Quincy
Salem
Saugus
Somerville
Springfield (3)
Stoneham
Wakefield
Waltham
Woburn
Worcester (3)

MICHIGAN (36)
Adrian
Ann Arbor (2)
Battle Creek
Dearborn
Detroit (9)
East Detroit
Ferndale
Flint
Grand Rapids
Hamtramck
Highland Park
Inkster
Jackson
Kalamazoo
Lansing (2)
Lincoln Park
Livonia
Monroe
Muskegon
Oak Park
Pontiac (2)
Port Huron
Saginaw
West Dearborn
Wyandotte

MINNESOTA (6)
Bloomington
Duluth
Minneapolis
St. Paul (3)

MISSISSIPPI (7)
Biloxi*
Hattiesburg
Jackson (2)
Meridian
Natchez
Vicksburg



Thom McAn—874 stores *in 506 Cities in 45 States, District of Columbia and Commonwealth of Puerto Rico. Leased Departments (*). Agencies (**).*

Miles Shoes—272 stores *in 163 Cities in 15 States and the District of Columbia.*

John Ward—11 stores—*Newark, N. J.—New York, N. Y. (7)—Philadelphia, Pa. (2)—Hempstead, N. Y.*

MISSOURI (20)
- Beverly Hills
- Kansas City (6)
- Kirkwood
- Maplewood
- St. Ann
- St. Joseph
- St. Louis (9)

MONTANA (1)
- Great Falls

NEBRASKA (2)
- Omaha (2)

NEW HAMPSHIRE (2)
- Manchester
- Portsmouth

NEW JERSEY (53)
- Asbury Park
- Atlantic City
- Bayonne
- Bergenfield
- Bloomfield
- Camden
- Clifton
- Dover
- East Brunswick
- Elizabeth
- Fords
- Hackensack (2)
- Harrison
- Hazlet
- Hoboken
- Irvington
- Jersey City (4)
- Linden
- Maple Shade
- Metuchen
- Middletown
- Morristown
- Mt. Ephraim
- Neptune
- Newark (4)
- New Brunswick
- North Arlington
- Orange
- Paramus (3)
- Passaic
- Paterson
- Perth Amboy
- Plainfield
- Ramsey
- Red Bank
- Somerville
- Trenton
- Union (2)
- Union City
- Watchung
- Wayne
- West New York
- West Orange

NEW MEXICO (1)
- Albuquerque

NEW YORK (145)
- Albany (2)
- Amsterdam
- Babylon
- Bay Shore
- Binghamton
- Buffalo (7)
- Cheektowaga
- Clarence
- Commack
- Dewitt
- Elmira
- Endicott
- Freeport
- Glens Falls
- Hempstead
- Hicksville
- Huntington
- Ithaca
- Jamestown
- Kenmore
- Lake Success
- Levittown
- Lynbrook
- Manhasset
- Massapequa Park
- Massena
- Mount Vernon
- Newburgh
- New Hartford
- New Rochelle
- New York (85)
  - Manhattan (19)
  - Bronx (15)
  - Brooklyn (29)
  - Queens (19)
  - Richmond (3)
- Niagara Falls (2)
- Patchogue
- Peekskill (2)
- Plainview
- Port Chester
- Poughkeepsie (2)
- Rochester (2)
- Rockville Centre
- Roosevelt Field
- Schenectady
- Syracuse (2)
- Troy
- Utica (2)
- Valley Stream
- White Plains
- Yonkers (2)

NORTH CAROLINA (13)
- Asheville
- Charlotte (2) (1*)
- Durham
- Greensboro
- High Point
- Jacksonville
- Raleigh
- Statesville**
- Wilmington
- Winston-Salem (2)

OHIO (61)
- Akron (2)
- Alliance
- Barberton
- Canton (2)
- Cincinnati (5)
- Cleveland (12)
- Columbus (7)
- Cuyahoga Falls
- Dayton (4)
- Euclid
- Fairborn
- Hamilton (2)
- Lima
- Lorain (2)
- Lyndhurst
- Mansfield
- Maple Heights
- North College Hill
- North Olmstead
- Norwood
- Parma Heights
- Portsmouth
- Sandusky
- Springfield
- Steubenville
- Tallmadge
- Toledo (3)
- Warren (2)
- Youngstown (2)

OKLAHOMA (2)
- Oklahoma City
- Tulsa

OREGON (4)
- Portland (3)
- Salem

PENNSYLVANIA (60)
- Abington
- Allentown
- Altoona
- Baden
- Beaver Falls
- Braddock
- Bridgeville
- Chester
- Erie (2)
- Greensburg
- Harrisburg
- Hazleton
- Homestead
- Johnstown
- Langhorne
- Lemoyne
- Levittown
- McKeesport
- Monroeville
- Natrona Heights
- New Castle
- New Kensington
- Philadelphia (21)
- Pittsburgh (5)
- Pottsville
- Reading
- Scranton
- Sharon
- Shillington
- Uniontown
- Upper Darby
- Wilkes-Barre
- Woodlyn
- York (2)

PUERTO RICO (5)
- Bayamon
- Carolina
- Ponce
- Rio Piedras
- Santurce

RHODE ISLAND (8)
- Newport
- Pawtucket (2)
- Providence (2)
- Westerly
- West Warwick
- Woonsocket

SOUTH CAROLINA (5)
- Charleston
- Charleston Heights
- Columbia
- Greenville
- Spartanburg

TENNESSEE (6)
- Chattanooga
- Johnson City
- Knoxville
- Madison
- Memphis (2)

TEXAS (50)
- Austin (2)
- Baytown
- Beaumont (2)
- Brownsville
- Corpus Christi (3)
- Dallas (7)
- El Paso (2)
- Fort Worth (3)
- Galveston
- Houston (8)
- Laredo
- Lubbock
- McAllen
- Midland
- Pasadena
- Port Arthur (2)
- San Angelo
- San Antonio (8)
- Tyler
- Victoria
- Waco
- Wichita Falls

UTAH (4)
- Ogden
- Provo
- Salt Lake City (2)

VERMONT (1)
- Burlington

VIRGINIA (15)
- Annandale
- Falls Church
- Hampton
- Lynchburg
- Newport News
- Norfolk (3)
- Portsmouth (2)
- Richmond (3)
- Roanoke
- Warwick

WASHINGTON (4)
- Everett
- Seattle
- Spokane
- Tacoma

WEST VIRGINIA (5)
- Charleston
- Clarksburg
- Huntington
- Parkersburg
- Wheeling

WISCONSIN (9)
- Appleton
- Madison
- Milwaukee (5)
- Oshkosh
- West Allis

Miles STORES:

ALABAMA (1)
- Birmingham

CONNECTICUT (9)
- Bridgeport
- Danbury
- East Hartford
- Hamden
- Meriden
- Milford
- South Norwalk
- Stamford
- Stratford

DELAWARE (2)
- Newark
- Wilmington

District of COLUMBIA (3)
- Washington (3)

FLORIDA (2)
- Coral Gables
- Jacksonville

GEORGIA (1)
- Marietta

MARYLAND (12)
- Baltimore (3)
- District Heights
- Dundalk
- Essex
- Glen Burnie
- Hyattsville
- Laurel
- Prince Georges County
- Rockville
- Wheaton

MASSACHUSETTS (1)
- Pittsfield

NEW JERSEY (60)
- Asbury Park
- Bayonne
- Belleville
- Bergenfield
- Bloomfield
- Camden
- Clifton (2)
- East Paterson
- Eatontown
- Edison Township
- Elizabeth
- Englewood
- Fairlawn
- Hackensack
- Hamilton Township
- Hoboken
- Irvington
- Jersey City (7)
- Levittown
- Linden
- Long Branch
- Morristown
- Newark (5)
- New Brunswick
- North Brunswick
- Orange
- Paramus
- Passaic
- Paterson
- Pennsauken
- Perth Amboy
- Plainfield
- Raritan Township
- Rahway
- Ramsey
- Red Bank
- Somerville
- South River
- Springfield
- Toms River
- Trenton (2)
- Union
- Union City
- Vineland
- Watchung
- West New York
- West Orange
- Westwood

NEW YORK (140)
- Albany (3)
- Amsterdam
- Babylon (2)
- Bay Shore
- Bethpage
- Centereach
- Commack
- Delmar
- East Syracuse
- Eggertsville
- Elmira
- East Huntington
- Franklin Square
- Freeport
- Glen Cove
- Glens Falls
- Gloversville
- Greenburgh
- Great Neck
- Hempstead
- Hicksville
- Kingston
- Lake Success
- Latham
- Levittown (2)
- Lynbrook
- Mount Vernon
- Middletown
- Newburgh
- New Cassel
- New Hyde Park
- New Rochelle
- New York (83)
  - Manhattan (20)
  - Bronx (14)
  - Brooklyn (26)
  - Queens (21)
  - Richmond (2)
- Niagara Falls
- Patchogue (2)
- Peekskill
- Plainview
- Port Chester
- Poughkeepsie
- Riverhead
- Rochester (2)
- Roosevelt Field
- Schenectady
- Troy
- Utica
- Valley Stream
- Wantagh
- West Islip
- West Seneca
- White Plains
- Yonkers (2)

NORTH CAROLINA (8)
- Asheville
- Charlotte
- Durham
- Greensboro
- Hickory
- Wilson
- Winston-Salem (2)

OHIO (11)
- Cleveland (2)
- Euclid
- Lorain
- Maple Heights
- Mayfield Heights
- Medina
- Parma (2)
- University Heights
- Willowick

PENNSYLVANIA (13)
- Broomall
- Easton
- Erie
- Harrisburg
- Havertown
- Meadville
- Norristown
- Philadelphia
- Pottsville
- Scranton
- Wilkes-Barre
- Williamsport
- York

SOUTH CAROLINA (2)
- Florence
- Greenville

TENNESSEE (2)
- Chattanooga (2)

VIRGINIA (5)
- Clarendon
- Falls Church
- Harrisonburg
- Lynchburg
- Springfield

1960 *forty-seventh Annual Report*

MELVILLE SHOE CORPORATION